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18TH DISTRICT, CALIFORNIA

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Congress of the United States
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January 26, 2010

The Honorable Shaun Donovan
Secretary
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410

Dear Secretary Donovan:

As I have said on a number of occasions, what has become of my region in the Central Valley of California is nothing short of an economic disaster. Unemployment rates and foreclosures in the Central Valley are among the highest in the country. The three biggest cities in my district, Merced, Stockton, and Modesto, have the 3rd, 5th, and 6th highest foreclosure rates in the country, respectively. These cities also rank in the top six cities nationwide for unemployment rates. Quite simply, the foreclosure and economic crisis affecting my district has reached a catastrophic level that can no longer be tolerated.

In the first round of Neighborhood Stabilization Program (NSP) funding in September 2008, despite having one of the highest foreclosure rates in the nation, Merced County and the City of Merced did not receive any direct funding through the Department of Housing and Urban Development (HUD). In the second round of funding announced earlier this month, the City of Modesto received \$25 million, yet the City of Merced, Merced County, Stanislaus County, San Joaquin County and the City of Stockton were completely overlooked in their requests. The minimal assistance that we have received is hardly enough to make any bit of difference in a district that has been economically ravaged at a level equal to the devastation suffered by New Orleans after Hurricane Katrina.

This is the second time my district has been blatantly overlooked for funding. On top of that, none of HUD's programs have been effective at delivering the relief that has been promised to my constituents by the Administration. What has been put forward to fix the on-going foreclosure crisis has done nothing – and continues to do nothing – to help my community. It took months of prodding before the Administration would even admit that these programs were never intended to reduce the number of foreclosures in my district. All the while, foreclosures and unemployment rates continue to rise, businesses continue to shut their doors, and our economy continues to suffer – and my constituents see no relief whatsoever.

Mr. Secretary, it is this simple – we are the worst hit and thus in the most need of help. In spite of this, despite my pleas for assistance and my best efforts to work with you, your

Department continues to ignore those in the most need of help and instead establishes criteria that stack the decks against us.

As you recall when you toured my district with me last July, you saw first-hand the devastation the foreclosure crisis has created and that my district is fighting for its survival. At that time, Mr. Secretary, I received your assurances that every single effort would be made to direct funding to my district to aid my struggling communities. Instead, after personally coming to my community and pledging support to me and my constituents, HUD developed NSP2 criteria to provide assistance that overlooked the region that needed the most help. This is absolutely unacceptable and reflects complete incompetence.

To speak frankly, Mr. Secretary, it has become abundantly clear that HUD is incapable of delivering effective programs to stem the rising tide of foreclosures devastating my district and many others around the country. My constituents are losing hope, and they have lost confidence that your Department can provide any effective solutions to bring a stop to the foreclosures laying waste to our neighborhoods. Mr. Secretary, I have lost confidence in you. If you can't turn your Department around then you should do the honorable thing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dennis Cardoza", with a long horizontal flourish extending to the right.

Dennis Cardoza
Member of Congress